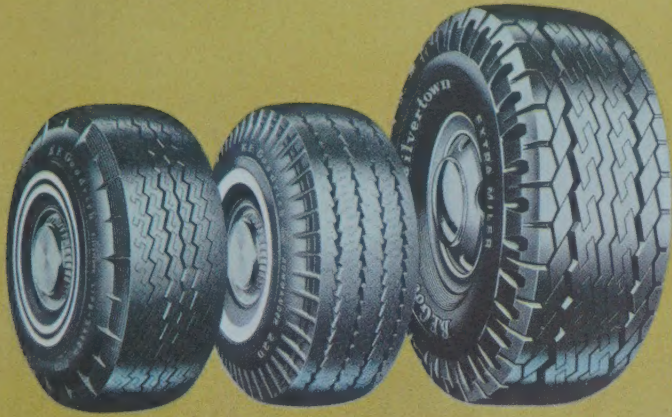


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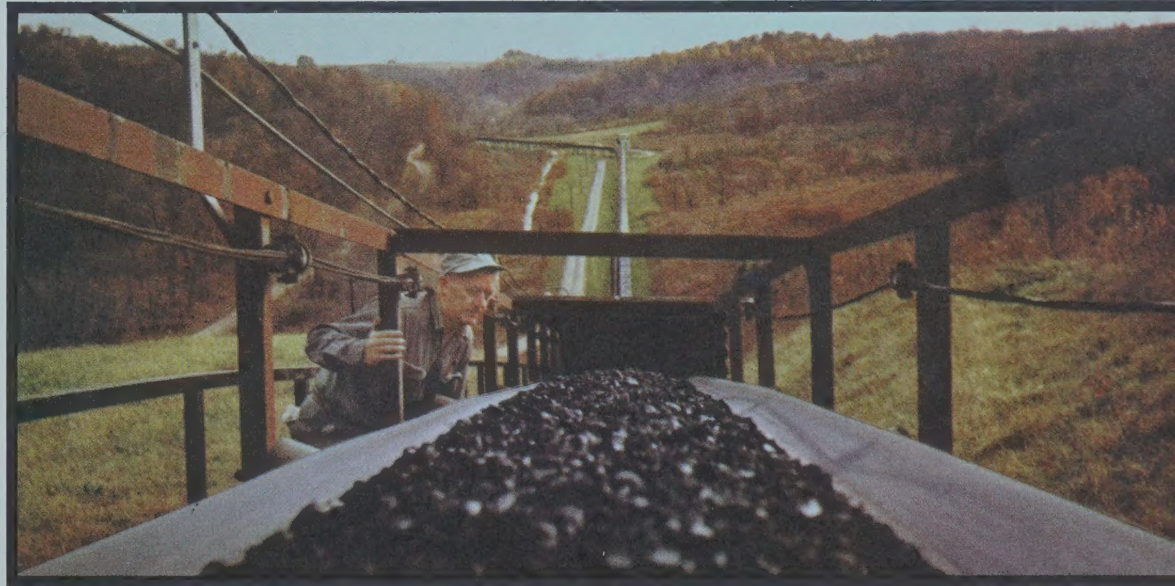
# The B.F. Goodrich Company

*File*



## 1962 Annual Report

APR 8 1962



92nd Year





UNITED STATES OF AMERICA



NETHERLANDS



NEW ZEALAND



PERU



PHILIPPINES



SWEDEN



UNITED KINGDOM



MEXICO



LIBERIA



JAPAN



IRAN



GERMANY



FRANCE



COLOMBIA



CANADA



BRAZIL



AUSTRALIA

## Directors

PAUL C. CABOT, *Chairman of the Board, State Street Investment Corporation*  
 JOHN L. COLLYER, *Retired President and Chairman of The B. F. Goodrich Company*  
 BOONE GROSS, *President, The Gillette Company*  
 AMORY HOUGHTON, JR., *President, Corning Glass Works*  
 J. W. KEENER, *President, The B. F. Goodrich Company*  
 ARTHUR KELLY, *Executive Vice President, The B. F. Goodrich Company*  
 BARRY T. LEITHEAD, *President, Cluett, Peabody & Co., Inc.*  
 ELMER L. LINDSETH, *Chairman of the Board, The Cleveland Electric Illuminating Company*  
 DAVID L. LUKE III, *President, West Virginia Pulp and Paper Company*  
 DEANE W. MALOTT, *President, Cornell University*  
 HERMAN C. NOLEN, *Chairman of the Board, McKesson & Robbins, Inc.*  
 DAVID ROCKEFELLER, *President, The Chase Manhattan Bank*  
 JOHN L. WEINBERG, *Partner, Goldman, Sachs & Co.*

## Executive Committee

JOHN L. COLLYER, <i>Chairman</i>	ARTHUR KELLY
PAUL C. CABOT	BARRY T. LEITHEAD
J. W. KEENER	ELMER L. LINDSETH

## Executive Officers

J. W. KEENER, *President*  
 ARTHUR KELLY, *Executive Vice President*  
 R. G. JETER, *Vice President, General Counsel, and Secretary*  
 F. K. SCHOENFELD, *Vice President—Research and Development*  
 W. W. SCULL, *Vice President—Manufacturing*  
 DON C. MILLER, *Vice President—Marketing*  
 E. F. TOMLINSON, *Vice President—Original Equipment Marketing*  
 J. N. HART, *Vice President and Controller*  
 F. W. MOYER, *Treasurer*  
 C. O. DELONG, *Assistant to President*

## Heads of Divisions

P. W. PERDRIAU, *President,*  
*B. F. Goodrich Tire Company, a Division*  
 H. B. WARNER, *President,*  
*B. F. Goodrich Chemical Company, a Division*  
 J. C. RICHARDS, *President,*  
*B. F. Goodrich Industrial Products Company, a Division*  
 ANSELM TALALAY, *General Manager,*  
*B. F. Goodrich Sponge Products*  
 J. C. MACKINNON, *General Manager,*  
*B. F. Goodrich Footwear Company, a Division*  
 C. B. MCKEOWN, *General Manager,*  
*B. F. Goodrich Aerospace and Defense Products, a Division*  
 S. W. HEMPSTEAD, *General Manager,*  
*B. F. Goodrich Textile Products, a Division*  
 W. C. GULICK, *President,*  
*International B. F. Goodrich Company, a Division*  
 R. V. YOHE, *President,*  
*B. F. Goodrich Canada Limited*

STOCK TRANSFER AGENT  
 BANKERS TRUST COMPANY  
 New York City

STOCK EXCHANGE LISTING  
 NEW YORK STOCK EXCHANGE  
 New York City

REGISTRAR  
 MORGAN GUARANTY TRUST  
 COMPANY OF NEW YORK  
 New York City

AUDITORS  
 ERNST & ERNST  
 Cleveland, Ohio

The countries around the world where B.F. Goodrich subsidiary and associate companies operate.



# Annual Report

*For the year ended  
December 31,*

## 1962

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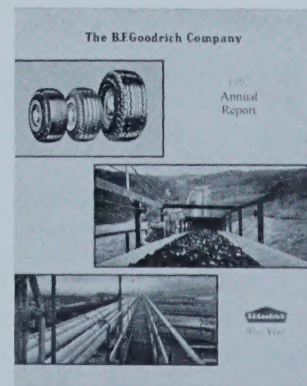
# The B.F. Goodrich Company

## FRONT COVER PICTURES

Three great new tires from B.F. Goodrich meet the challenge of competition. Shown are the premium puncture-sealing Life-Saver 880, the tough and economical Commander 220, both for passenger cars; and the Silvertown Extra Miler, a truck tire establishing new mileage standards.

This BFG conveyor belt hauls 800 tons of coal an hour over rough terrain. It is part of a 4½ mile conveyor system that goes up and down hills and across a river from coal mine to power plant.

At the nation's largest uranium refinery, pipe made of B.F. Goodrich Geon rigid vinyl has handled several hundred million gallons of highly corrosive materials without failure—a job no conventional piping can manage.



## Financial Highlights

	1962	1961
CONSOLIDATED NET SALES . . . . .	\$812,026,000	\$757,785,000
CONSOLIDATED NET INCOME . . . . .	26,334,000	31,035,000
Per Cent of Sales . . . . .	3.2%	4.1%
Per Share of Common Stock . . . . .	\$2.87	\$3.39
UNCONSOLIDATED SUBSIDIARY AND ASSOCIATE COMPANIES —Increase for the Year in B.F. Goodrich Equity in Net Income Retained by These Companies . . . . .	2,215,000	1,610,000
Per Share of B.F. Goodrich Common Stock . . . . .	\$.24	\$.18
NUMBER OF COMMON SHARES ON DECEMBER 31 . . . . .	9,165,555	9,163,244
DIVIDENDS TO STOCKHOLDERS . . . . .	20,163,000	20,136,000
Per Share of Common Stock . . . . .	\$2.20	\$2.20
INCOME, EXCISE, AND OTHER TAXES . . . . .	91,827,000	87,210,000
DEPRECIATION AND LEASEHOLD AMORTIZATION . . . . .	27,953,000	25,095,000
CAPITAL EXPENDITURES AND INVESTMENTS . . . . .	52,298,000	56,173,000
NET WORKING CAPITAL . . . . .	271,884,000	290,784,000
LONG-TERM DEBT PAYABLE AFTER ONE YEAR . . . . .	97,208,000	98,564,000
EMPLOYMENT COSTS (Salaries, Wages, and Employee Benefits) . . . . .	280,293,000	255,460,000





J. W. KEENER  
*President*

## To The Stockholders

B.F. Goodrich, during 1962, achieved the highest sales in history, 7.2% above 1961 and 5.2% above the previous record year of 1959. The sales increase was shared by substantially all major lines and industry positions were improved or maintained in all principal product groups.

Net income was down by 15.1% from 1961, despite increased sales. Passenger and truck tire prices declined to the lowest average levels in ten years, and price weaknesses persisted in airplane tires, some industrial and consumer products lines, and vinyl resins.

Substantial extra production costs were incurred in connection with extensive modernization and mechanization programs in existing manufacturing plants, and non-repetitive training and start-up expenses were absorbed as production built up in the new Fort Wayne, Indiana, and Kitchener, Ontario, tire plants. Per person employment costs continued to rise and reached new highs. The combination of adverse cost and price elements somewhat more than offset the benefits of the substantial sales increase.

Capital expenditures and investments in 1962 were \$52,297,514, second highest in the Company's history. A high proportion of such expenditures were for modernization and mechanization of manufacturing facilities, having the objectives of improving efficiencies, bettering product quality and lowering unit costs. As a result, our production efficiencies in 1963 are the best in many years.

The major facilities expansion approved in 1962 was for the construction of a plant on our Calvert City, Kentucky, property for the production of 250,000,000 pounds of ethylene a year, plus propylene and other co-product and by-product materials.

The ethylene will be utilized mainly in the manufacture of vinyl chloride monomer, but some will be offered for sale. The propylene and other petrochemical materials will be converted, later, into a number of important and profitable chemicals


that fit well into B.F. Goodrich technical, production and marketing capabilities. The new Calvert City plant will begin operation by mid-1964 and, for the first time, will provide B.F. Goodrich with basic raw materials in its principal chemical fields.

Goodrich-Gulf Chemicals, Inc., completed and successfully started production of a stereo rubber plant at Institute, West Virginia. This plant, initially, is producing cis-polybutadiene rubbers and is capable of being adapted to other stereo rubbers, and of being expanded at low capital cost.

B.F. Goodrich's outstanding research and development organization made invaluable contributions toward the petrochemical plant now building at Calvert City. Their talents during the coming year will be directed not only toward further improvement of existing product lines, but toward a number of new product and materials areas including, importantly, the profitable utilization of the co-product and by-product streams that, in 1964, will become available in Calvert City.

We expect 1963 to be a year of good sales and improved profits. Our costs of production will be materially lower and our product quality the best ever. Selling prices of tires and some industrial and consumer products were stabilized, by the end of 1962, near or slightly above recently depressed levels. It is our hope that the extensive price erosion that has persisted for five years is at or near an end.

The Directors and Officers express their appreciation to stockholders for their continued interest and support, to our many dealers and other customers for their increased patronage, and to BFG management people and other employees for their loyalty and individual and team accomplishments.

  
President



# Report for the Year 1962

## CONSOLIDATED SALES AND INCOME

*Net Sales* amounted to \$812,025,872 compared with \$757,784,840 in 1961, an increase of 7.2%.

*Net Income* in 1962 amounted to \$26,333,763. This compared with \$31,034,500 in 1961, a decrease of 15.1%. Net income a common share was \$2.87 compared with \$3.39 a common share for the year 1961.

*Unconsolidated Subsidiary and Associate Company* dividends received by B. F. Goodrich are included in the statement of Consolidated Net Income. Increases in B. F. Goodrich equity in net income retained by these companies are not included in the statement of Consolidated Net Income. Such equity increases amounted to \$2,215,000 for the year 1962, or \$.24 a share, compared with \$1,610,000 for the year 1961, or \$.18 a share.

*Federal and Foreign Income Taxes* for the year 1962 were \$23,693,000 compared with \$28,746,000 in 1961. All taxes, including excise and other taxes, amounted to approximately \$91,827,000 in 1962, in comparison with \$87,210,000 in 1961.

*Dividends* of \$2.20 a share on common stock were paid in each of the years 1962 and 1961. In 1962 total dividend payments to stockholders were \$20,163,218 and in 1961 \$20,135,757.

*Depreciation and Amortization* in 1962 amounted to \$27,953,245 compared with \$25,095,495 in 1961.

*Capital Expenditures and Investments* during 1962 for the modernization and expansion of manufacturing, marketing, and research facilities amounted to \$52,297,514. Capital Expenditures and Investments during 1961 were \$56,172,646.

## FINANCIAL POSITION

*Current Assets* at the end of 1962 were \$365,223,717 and *Current Liabilities* were \$93,340,048, a ratio of 3.9 to 1.

*Net Working Capital* was \$271,883,669 at the end of 1962 compared with \$290,783,927 at the end of 1961.

*Inventories* at the end of 1962 amounted to \$178,371,452 compared with \$169,495,697 at the end of 1961. Domestic inventories of synthetic and natural rubber and rubber-like materials have been priced on the last-in, first-out (LIFO) basis in both years. Other inventories have been priced at the lower of cost or market.

*Shares of Unconsolidated Subsidiary and Associate Companies* at cost amounted to \$29,457,969 at the end of 1962 and \$22,918,930 at the end of 1961. Estimated equity in these companies at year end based on their book values amounted to \$62,149,000 in 1962 and \$53,766,000 in 1961.

*Land, Buildings, Machinery, and Equipment* are stated at cost and amounted to \$454,686,716 at the end of 1962 and \$419,781,708 at the end

of 1961. Accumulated depreciation and amortization totaled \$236,287,723, or 52.0% of total fixed property at the end of the year 1962, as compared with \$220,526,465, or 52.5% of total fixed property, on December 31, 1961.

## OPERATIONS IN 1962

### *Manufacturing Facilities Expanded and Improved— U. S. A. and Canada*

B. F. Goodrich during 1962 further expanded and improved its manufacturing, marketing, and research facilities.

The Fort Wayne tire plant, the most modern in the world, which began production in the last quarter of 1961, is now at scheduled production. It is within overnight shipping distance of more than half the nation's automobile producing capacity.

The new tire manufacturing plant at Kitchener, Ontario, began production in 1962. Industrial hose, V-belt, and golf ball center manufacturing facilities in Canada were expanded. The capacity of the chemical plant at Welland, Ontario, was increased. B. F. Goodrich Canada installed the only facilities in Canada for the production of suction press rolls and Densite rolls for use by the paper-making industry.

Late in 1962 the Company began operation of its new tire test center. This installation contains special equipment for testing aircraft tires at speeds up to 400 miles per hour and facilities for running 35,000 indoor test miles daily. The new test center is part of a three-year expansion of testing facilities that include the world's longest tire test track at Pecos, Texas, and another outdoor track at the Brecksville, Ohio, Research and Development Center.

Indoor tire testing machines were installed in several domestic tire plants to provide increased reliability. The modernization of facilities for production of airplane tires in Akron has been completed and major improvements have been made in equipment of the other tire plants.

In the chemical field in 1962 the Company began the construction of an extensive petrochemical complex on its Calvert City, Kentucky, plant site. When completed in 1964 this complex will have capacity to produce annually 250,000,000 pounds of ethylene for use in the manufacture of vinyl resins and other polymers. Other hydrocarbons, including propylene, also will be produced in this facility.

In addition to providing important raw materials for chemical products now produced, this petrochemical complex will provide future opportunities in several important chemical fields. Expansion of latex-producing facilities at Avon Lake, Ohio, and vinyl resin facilities at Long Beach, California, will be completed early in 1963.

Industrial products facilities for the manufacture of flashless molded products, and for the manufacture of fire hose and special hand-built hose,



## America's Men of Space

**TOP, l. to r.**

ALAN SHEPARD  
VIRGIL GRISSOM  
GORDON COOPER

**BOTTOM, l. to r.**

WALTER SCHIRRA  
DONALD SLAYTON  
JOHN GLENN  
SCOTT CARPENTER



One of the proudest achievements of B.F. Goodrich research lies in the part it played in the historic space flights of the National Aeronautics and Space Administration team. Shown here are the seven original Astronauts clad in their space suits developed and manufactured by B.F. Goodrich.

**SPACE PROGRESS WITH B.F. GOODRICH:** Thirty years of constant technical advance is illustrated by the oldest and newest space helmets, both developed by B.F. Goodrich and displayed here by Russell S. Colley, space suit designer for the Company. At left, designed by Mr. Colley, is the prototype of the helmet used by famed Wiley Post in setting high-altitude records in 1934. Mr. Colley also participated in development of the American Astronaut's helmet shown at right.



have been modernized and expanded. Additional facilities for the production of latex foam products were completed in 1962.

Aerospace and defense products facilities were expanded for the production of filament-wound products and missile insulators. A completely integrated facility has been established for designing, fabricating, and evaluating reinforced plastic space vehicle re-entry components.

In the textile field B. F. Goodrich began the construction of a facility for the further processing of fabrics woven at its mills at Thomaston, Georgia. This equipment is scheduled for operation in April 1963.

### *New and Improved Products*

During 1962 development work was completed and production started on three new tires to be introduced in 1963. A new superior value economy tire—the *Commander 220*—was introduced in February. This tire sets a new standard of rugged construction and durability in its price class. A new premium, top-of-the-line tire—the *Life-Saver 880*—was also introduced early in the year. This puncture-sealing tire is the finest passenger car tire the Company has ever sold. In January, a new original equipment truck tire—the *Silvertown Extra Miler*—designed for heavy use by truck fleets, was introduced. This tire delivers substantially better mileage than its competitors.

Late in 1962 a new polybutadiene rubber, produced and supplied by Goodrich-Gulf, was incorporated into the tread compound of certain passenger tires. This tread compound is advertised and promoted under the trademark *Super-Syn*. Its use substantially improves the durability, mileage, and performance characteristics of passenger tires.

The newest jet aircraft using B. F. Goodrich wheel and brake equipment and heat-resistant airplane tires include the North American B-70 supersonic bomber, A3J Vigilante fighter, and the Boeing 727 medium haul transport which is scheduled for service in 1963. B. F. Goodrich has furnished all the suits for the Project Mercury astronauts, and development work continues on suits for advanced space programs, such as Gemini. In addition to the recently developed new lightweight wing de-icing system for twin engine executive aircraft, the Company is supplying electrical propeller de-icers, wheels, brakes, and tires for this aircraft market.

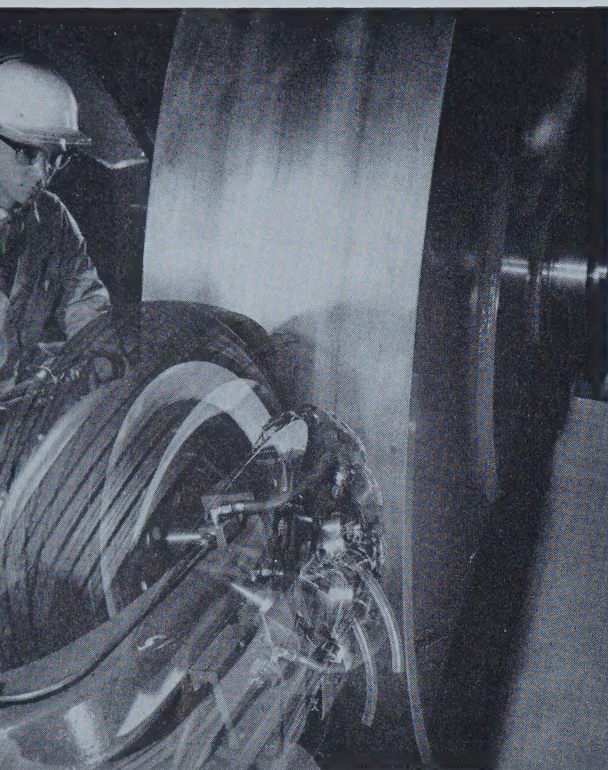
During 1962 B. F. Goodrich marketed the first fiber glass V-belts under the trademark *Glasstex*. A new *Hi-flex* thread for the hosiery trade and a new reinforced, soft core, more flexible PVC garden hose were added to the Company's products.

A new type of flexible closed-cell sponge insulation tubing, considered the finest product in its field, was placed on the market.

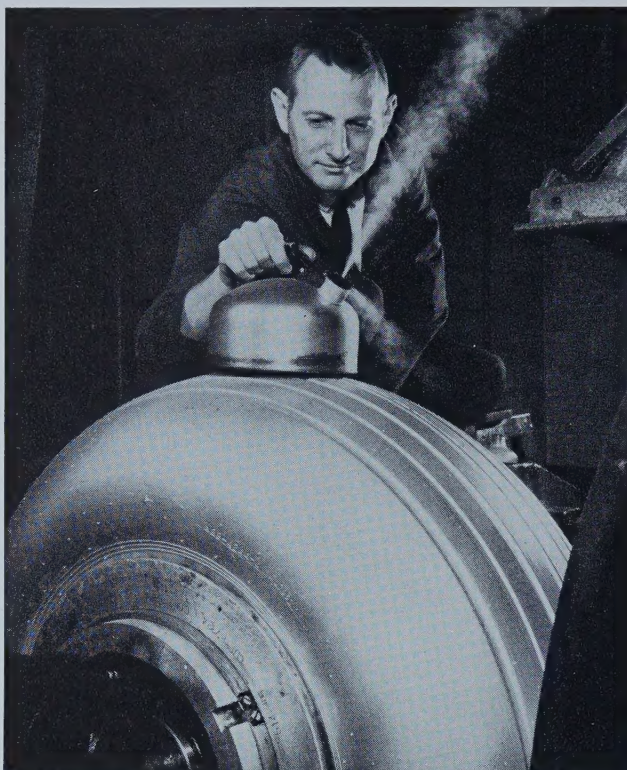
New designs of canvas footwear of striking colors, special design features, and new packaging have been well received. Leather sneakers of a new design



## B.F. Goodrich Research for Safer, Better Tires



A multiple-exposure photo showing a tire "turning a corner" on the world's first testing machine capable of reproducing and accurately recording every condition and all of the rapidly changing stresses encountered in actual automobile driving. This machine represents one of the many technological advances found at the new B.F. Goodrich Tire Test Center in Brecksville, Ohio.



Developed by B.F. Goodrich for the U. S. Air Force B-70 bomber, this is the first aviation tire able to withstand the extreme temperature and stress requirements for aircraft designed to fly at three times the speed of sound. Heated to the boiling point of water, it is shown just before a successful simulated "landing" on a laboratory testing machine.

and the denim, plaid, and flannel sneakers are popular items. Dacron-poplin canvas footwear and Oxford cloth footwear in attractive styles have been designed and will be introduced early in 1963.

### *Marketing Developments*

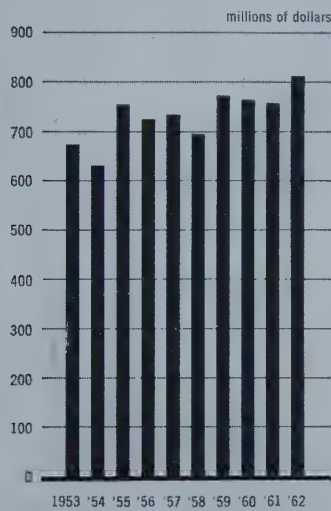
During 1962 B. F. Goodrich continued to expand its distribution facilities. Additional independent B. F. Goodrich dealerships were created, and new Vanderbilt Automotive Centers and B. F. Goodrich *Car Care Centers* were added. Tire distribution also was increased through Rayco outlets in seventeen major markets. Actions were taken to upgrade the quality of existing Company-owned retail outlets. Aggressive advertising campaigns were conducted to acquaint the public with B. F. Goodrich products and their consumer values.

A centralized Design, Styling and Packaging Center, located in New York, made substantial contributions to improving the display of products in retail stores, and the appearance and merchandising features of several product lines, including tires, floor tile, upholstery fabrics, and wall coverings.

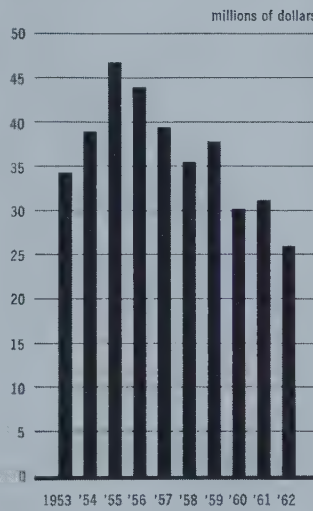


## Financial Data—1962

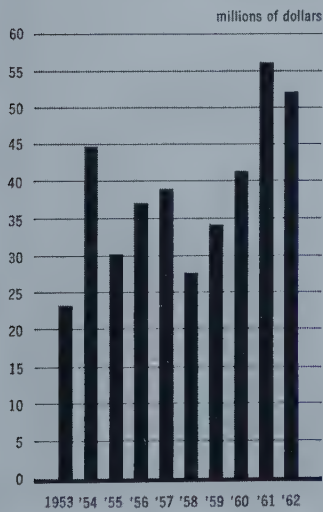
**CONSOLIDATED NET SALES  
1953-1962**



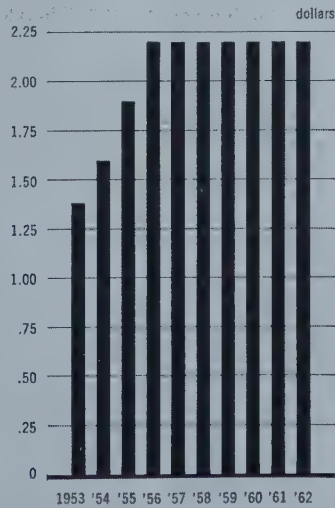
**CONSOLIDATED NET INCOME  
1953-1962**



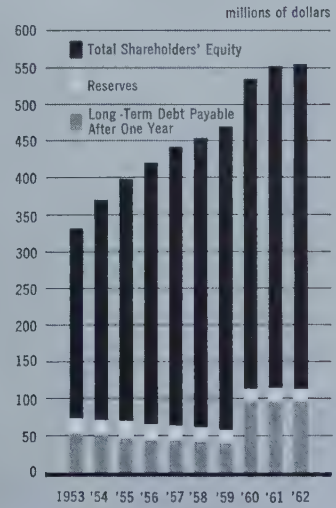
**CAPITAL EXPENDITURES AND  
INVESTMENTS 1953-1962**



**DIVIDENDS PER SHARE OF  
COMMON STOCK 1953-1962**



**TOTAL CAPITAL INVESTED  
1953-1962**





## Statement of Financial Position

AT DECEMBER 31, 1962 AND 1961

## ASSETS

## CURRENT ASSETS

	1962	1961
Cash . . . . .	\$ 24,813,887	\$ 19,974,992
Marketable securities, at cost (approximate market) . . .	15,227,555	41,236,211
Accounts and notes receivable, less allowance for doubtful accounts . . . . .	146,810,823	155,727,162
Inventories at lower of cost (partly last-in, first-out) or market		
Finished products . . . . .	126,359,715	119,937,484
In process . . . . .	16,903,155	16,019,471
Raw materials and supplies . . . . .	35,108,582	33,538,742
	<u>\$178,371,452</u>	<u>\$169,495,697</u>
Total Current Assets . . . . .	\$365,223,717	\$386,434,062

## INVESTMENTS

Shares of Unconsolidated Subsidiary and Associate Companies, at cost—Note A . . . . .	29,457,969	22,918,930
Other investments and advances . . . . .	31,295,946	32,801,668
	<u>\$ 60,753,915</u>	<u>\$ 55,720,598</u>

## PROPERTY

Land, buildings, machinery, equipment and leasehold improvements, at cost . . . . .	454,686,716	419,781,708
Accumulated allowances for depreciation and amortization . .	236,287,723	220,526,465
	<u>\$218,398,993</u>	<u>\$199,255,243</u>

DEFERRED CHARGES . . . . .	3,335,762	4,415,711
TOTAL ASSETS . . . . .	<u>\$647,712,387</u>	<u>\$645,825,614</u>

*See notes to financial statements*



## LIABILITIES

### CURRENT LIABILITIES

1962

1961

Notes payable and foreign bank loans . . . . .	\$ 4,435,986	\$ 6,413,414
Accounts payable . . . . .	39,610,782	37,227,053
Accrued expenses . . . . .	32,070,736	29,960,270
Federal and foreign income taxes . . . . .	16,217,753	21,367,296
Long-term debt payable within one year, less bonds purchased for sinking fund . . . . .	1,004,791	682,102
Total Current Liabilities . . . . .	\$ 93,340,048	\$ 95,650,135

### LONG-TERM DEBT PAYABLE AFTER ONE YEAR

Debentures—4 $\frac{5}{8}$ % maturing 1966 to 1985 . . . . .	60,000,000	60,000,000
First Mortgage Bonds—2 $\frac{3}{4}$ % maturing in 1965, less bonds in treasury . . . . .	16,575,000	17,137,000
Notes—3 $\frac{1}{4}$ % maturing 1966 to 1977 . . . . .	19,000,000	19,000,000
Notes of subsidiary companies maturing 1964 to 1981 . . . .	1,633,000	2,426,538
	\$ 97,208,000	\$ 98,563,538

### RESERVES

For purchase contracts, foreign losses, sales adjustments and other purposes . . . . .	14,932,960	15,642,514
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### SHAREHOLDERS' EQUITY

#### Common Stock—\$10 par value:

Authorized 10,000,000 shares, issued 9,165,555 shares (Excludes 5,596 shares held by the Company)—Note B . . . . .	91,655,550	91,632,440
Capital in excess of par value of shares—Note B . . . . .	38,491,758	38,423,461
Income retained in the business—Note C:		
Appropriated for increased replacement cost of facilities . .	33,000,000	33,000,000
Unappropriated . . . . .	279,084,071	272,913,526
	\$312,084,071	\$305,913,526
Total Shareholders' Equity . . . . .	\$442,231,379	\$435,969,427
TOTAL LIABILITIES . . . . .	\$647,712,387	\$645,825,614

## Statement of Income YEAR ENDED DECEMBER 31

	AMOUNT		PERCENT OF SALES	
	1962	1961	1962	1961
NET SALES (discounts, transportation and excise tax deducted) . . . . .	\$812,025,872	\$757,784,840	100.0	100.0
OTHER INCOME . . . . .	4,464,730	8,221,574	.5	1.1
TOTAL . . . . .	\$816,490,602	\$766,006,414	100.5	101.1
COSTS AND EXPENSES				
Cost of products sold . . . . .	592,548,907	546,871,434	73.0	72.2
Selling and general administrative expenses . . . . .	141,570,821	129,907,869	17.4	17.1
Depreciation and leasehold amortization	27,953,245	25,095,495	3.4	3.3
Interest expense . . . . .	4,390,866	4,351,116	.6	.6
	<u>\$766,463,839</u>	<u>\$706,225,914</u>	<u>94.4</u>	<u>93.2</u>
INCOME BEFORE TAXES ON INCOME . .	\$ 50,026,763	\$ 59,780,500	6.1	7.9
FEDERAL AND FOREIGN INCOME TAXES .	23,693,000	28,746,000	2.9	3.8
NET INCOME . . . . .	<u>\$ 26,333,763</u>	<u>\$ 31,034,500</u>	<u>3.2</u>	<u>4.1</u>
Net income per share of common stock outstanding at end of year . . . . .	\$2.87	\$3.39		
Number of common shares . . . . .	9,165,555	9,163,244		

## Income Retained in the Business YEAR ENDED DECEMBER 31

	1962	1961
UNAPPROPRIATED AT BEGINNING OF YEAR . . . . .	\$272,913,526	\$258,675,497
RETAINED INCOME OF RAYCO MFG. Co. (acquired Jan. 4, 1961) .	—	3,339,286
	<u>\$272,913,526</u>	<u>\$262,014,783</u>
NET INCOME . . . . .	26,333,763	31,034,500
	<u>\$299,247,289</u>	<u>\$293,049,283</u>
CASH DIVIDENDS PAID ON COMMON STOCK		
\$2.20 a share . . . . .	20,163,218	20,135,757
UNAPPROPRIATED AT END OF YEAR . . . . .	\$279,084,071	\$272,913,526
APPROPRIATED FOR INCREASED REPLACEMENT COST OF FACILITIES	33,000,000	33,000,000
INCOME RETAINED IN THE BUSINESS AT END OF YEAR . . . . .	<u>\$312,084,071</u>	<u>\$305,913,526</u>

See notes to financial statements



# Notes to Financial Statements

YEAR ENDED DECEMBER 31, 1962

## Note A — PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include all active, wholly-owned subsidiaries except 4 subsidiaries which are not significant in the aggregate. Appropriate rates of exchange have been used to convert foreign currency amounts into U. S. dollars.

The Company's estimated equity in the net assets of Unconsolidated Subsidiary and Associate Companies (based on their book value) at December 31, 1962, exceeded the Company's investment in such companies by \$32,691,000. Dividends received from these companies are included in the statement of consolidated income. Increase in the net income retained by them and not taken up in the statements for the year amounted to approximately \$2,215,000.

## Note B — STOCK OPTIONS

At December 31, 1962, 178,425 shares of Common Stock were reserved for issuance under the Key Employees Stock Purchase Privilege Plan. Of the shares so reserved, 65,462 shares were subject to outstanding options at prices ranging from \$32.75 to \$88.91 a share. During 1962, options for 2,311 shares were exercised at prices ranging from \$33.87 to \$56.00 a share, and options to purchase 26,644 shares were exercisable at the end of the year. The excess of the proceeds from the sale of option shares over their par value amounted to \$68,297 and was credited to capital in excess of par value of shares.

## Note C — LIMITATIONS ON DIVIDENDS

The agreements pertaining to the Debentures, First Mortgage Bonds, and 3¼ % Notes in-

clude, among other things, limitations on the payment of cash dividends and amounts that can be expended to acquire or retire capital stock of the Company. Under the most restrictive of the agreements, income retained in the business in the amount of \$68,917,061 was free from such limitations at December 31, 1962.

## Note D — INVESTMENT CREDIT

The Revenue Act of 1962 permits the Company to reduce its tax liability for 1962 and subsequent years by an amount equal to approximately 7% of the cost of domestic investments in machinery and equipment made in each such year. The Company has elected to take into income that portion (\$975,784) of the 1962 credit which represents permanent tax savings and to treat the balance (\$1,057,099) of the credit as deferred income taxes payable over the useful lives of such assets.

## Note E — PENSIONS

A noncontributory pension plan is provided for substantially all the employees of the Company. In addition, a voluntary joint contributory pension plan is made available to most salaried employees. The programs provide for the payment upon retirement of fixed monthly benefits by an insurance company and/or pension trustee.

The cost of the basic programs for the year 1962 was approximately \$7,666,000. The unfunded portion of past service costs at December 31, 1962, was estimated by consulting actuaries to be \$48,670,000.

## Ten-Year Summary of Sales and Income YEARS 1953 TO 1962 INCLUSIVE

Year	Net sales	Net income					Unconsolidated Subsidiary and Associate Companies— increase (decrease) in BFG equity in retained earnings	
		Amount	Number of common shares <sup>(1)</sup>	Per share of common <sup>(1)</sup>	Percent to sales	Percent to total assets	Amount	Per share of BFG stock
<b>1962</b>	<b>\$812,025,872</b>	<b>\$26,333,763</b>	<b>9,165,555</b>	<b>\$2.87</b>	<b>3.2</b>	<b>4.1</b>	<b>\$2,215,000</b>	<b>.24</b>
1961	757,784,840	31,034,500	9,163,244	3.39	4.1	4.8	1,610,000	.18
1960	764,736,162	30,020,565	9,008,704	3.33	3.9	4.9	(108,000) <sup>(2)</sup>	(.01)
1959	771,591,342	37,580,186	9,000,314	4.18	4.9	6.7	2,120,000	.24
1958	697,296,556	35,457,421	8,978,180	3.95	5.1	6.5	1,127,000	.13
1957	734,650,802	39,369,705	8,952,300	4.40	5.4	7.5	4,035,000	.45
1956	724,168,401	43,765,431	8,931,680	4.90	6.0	8.4	3,947,000	.44
1955	755,016,879	46,662,127	8,871,068	5.26	6.2	9.2	3,075,000	.35
1954	630,670,600	38,815,737	8,812,260	4.40	6.2	8.4	Not Reported	
1953	674,613,276	34,226,745	8,388,500	4.08	5.1	7.8	—	—

## Ten-Year Summary of Year-End Financial Position YEARS 1953 TO 1962 INCLUSIVE

Year	Total assets	Net working capital	Fixed assets at cost	Net fixed assets	Long-term debt payable after one year	Reserve for increased replacement cost of facilities, purchase contracts, foreign losses, sales adjustments, etc.
<b>1962</b>	<b>\$647,712,387</b>	<b>\$271,883,669</b>	<b>\$454,686,716</b>	<b>\$218,398,993</b>	<b>\$97,208,000</b>	<b>\$47,932,960</b>
1961	645,825,614	290,783,927	419,781,708	199,255,243	98,563,538	48,642,514
1960	613,062,707	280,567,183	378,408,024	175,516,489	98,521,000	48,612,374
1959	559,463,993	251,697,612	357,269,935	165,171,976	41,311,000	49,715,933
1958	546,843,507	252,373,356	347,385,014	167,344,318	43,804,000	50,016,200
1957	527,828,494	243,925,923	331,067,344	166,135,001	45,752,000	50,064,193
1956	519,118,372	245,143,065	302,867,135	151,447,283	46,985,000	51,028,358
1955	507,938,794	241,152,107	277,624,839	138,203,002	49,648,000	51,370,311
1954	464,136,478	225,632,754	264,600,795	138,190,918	51,657,944	52,306,934
1953	436,967,016	210,370,067	227,113,614	115,018,038	54,596,224	52,098,796

<sup>(1)</sup>Year 1953 adjusted to reflect stock split of December 14, 1954.

<sup>(2)</sup>After giving effect to the write-off of equity in the Cuban associate company, currency devaluations, and foreign subsidiary start-up expenses.



Common dividends paid		Income retained in the business	Depreciation	Capital expenditures and investments <sup>(3)</sup>	Income, excise and other taxes	Year
Amount	Per share <sup>(1)</sup>					
<b>\$20,163,218</b>	<b>\$2.20</b>	<b>\$ 6,170,545</b>	<b>\$27,953,245</b>	<b>\$52,297,514</b>	<b>\$91,827,097</b>	<b>1962</b>
20,135,757	2.20	10,898,743	25,095,495	56,172,646	87,210,353	1961
19,817,318	2.20	10,203,247	23,784,098	41,377,375	82,576,439	1960
19,792,294	2.20	17,787,892	21,767,713	34,274,820	91,921,839	1959
19,729,215	2.20	15,728,206	21,337,816	27,615,711	84,685,065	1958
19,684,849	2.20	19,684,856	21,133,262	38,871,466	87,189,151	1957
19,604,157	2.20	24,161,274	19,468,957	37,006,351	86,846,042	1956
16,803,002	1.90	29,859,125	19,677,643	30,293,610	89,095,689	1955
13,771,865	1.60	25,043,872	16,121,656	44,857,321	74,208,459	1954
11,509,786	1.38	22,716,959	13,435,913	23,419,928	93,480,107	1953

Net worth			Total capital invested	Unconsolidated Subsidiary and Associate Companies		Year
Common stock	Capital in excess of par value of shares	Unappropriated income retained in the business		Shares at cost	BFG equity in book net worth	
<b>\$91,655,550</b>	<b>\$38,491,758</b>	<b>\$279,084,071</b>	<b>\$554,372,339</b>	<b>\$29,457,969</b>	<b>\$62,149,347</b>	<b>1962</b>
91,632,440	38,423,461	272,913,526	550,175,479	22,918,930	53,765,861	1961
90,087,040	39,192,320	258,675,497	535,088,231	22,386,640	51,410,706	1960
90,003,140	39,012,460	248,472,250	468,514,783	19,788,647	48,768,319	1959
89,781,800	38,544,131	230,684,358	452,830,489	14,877,668	41,572,367	1958
89,523,000	38,196,300	214,956,152	438,491,645	11,019,288	36,553,210	1957
89,316,800	38,019,613	195,271,296	420,621,067	9,887,014	30,915,776	1956
88,710,680	37,625,758	171,110,022	398,464,771	9,153,000	26,481,250	1955
88,122,600	37,382,486	141,250,897	370,720,861	Not Reported	Not Reported	1954
41,942,500	8,743,065 <sup>(4)</sup>	174,005,025	331,385,610	—	—	1953

<sup>(3)</sup>Includes net assets acquired in exchange for B.F.Goodrich common stock.

<sup>(4)</sup>After deducting Goodwill of \$57,798,000.

## Accountants' Report

To the Board of Directors and Stockholders of  
THE B. F. GOODRICH COMPANY

We have examined the statement of financial position of The B.F. Goodrich Company and consolidated subsidiaries as of December 31, 1962, and the related statements of income and income retained in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position, income, and income retained in the business present fairly the consolidated financial position of The B.F. Goodrich Company and consolidated subsidiaries at December 31, 1962, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A handwritten signature in cursive script, reading "Ernst & Ernst", with a long horizontal flourish extending to the right.

Cleveland, Ohio  
February 15, 1963



### *Research and Development*

Because of the Company's continued emphasis on its research, development, and testing facilities, its reputation as technical leader in its areas of operation will be maintained. Many products have remained profitable despite highly competitive selling prices, because of technical efforts which have reduced costs through improved processes and better material utilization. The discovery of new vinyl resins with unique combinations of properties has created opportunities to enter new market areas. The market-orientation of B. F. Goodrich research efforts will create additional opportunities in domestic as well as foreign markets.

### *B. F. Goodrich Overseas*

B. F. Goodrich business outside the United States is conducted in four ways: export sales of B. F. Goodrich products; wholly- or majority-owned manufacturing subsidiaries; selling subsidiaries marketing B. F. Goodrich brand products produced abroad; and associate manufacturing and selling companies in which B. F. Goodrich ownership is less than a controlling interest.

Tire and tube manufacturing facilities were expanded during 1962 by associate and subsidiary companies, including B. F. Goodrich Australia Pty. Limited, and B. F. Goodrich do Brasil, S. A. Kleber-Colombes established a new factory in the city of Troyes, France, to produce passenger and farm service tires. Kleber-Colombes also erected new factories in Nevers, France, for the manufacture of hydraulic high pressure hose, and in Decize for the manufacture of molded goods. Veith-Gummiwerke, A. G. during 1962 completed a new, modern tire factory at Hoechst, Odenwald, Germany, greatly expanding tire and tube capacity. B. F. Goodrich Philippines, Inc. expanded its manufacturing operations to include several non-tire product lines.

### *B. F. Goodrich Liberia, Inc.*

At the end of 1962 about 11,500 acres of the Company's rubber plantation in Liberia had been planted. A factory for the processing of the tree rubber will be completed in April, 1963. At that time the first tapping of the rubber trees will be made. Additional acreage will be planted in 1963.

### *Goodrich-Gulf Chemicals, Inc.*

Goodrich-Gulf Chemicals, Inc., in which The B. F. Goodrich Company and Gulf Oil Corporation each owns a fifty per cent interest, established a new record sales volume in 1962 and maintained its position as one of the

largest producers of synthetic rubber in the world. However, reductions in market prices of styrene-butadiene rubbers both at home and abroad during the year reduced earnings.

In October, Goodrich-Gulf started production of its cis-polybutadiene rubber, *Ameripol CB*, at a new plant at Institute, West Virginia. *Ameripol CB*, which is the most versatile of any of the polybutadiene rubbers now available, shows excellent promise in tires and many other rubber articles because of its excellent wear characteristics, good resistance to heat build-up, and superior rebound.

This plant is unique in that it is a conversion of a previously existing styrene-butadiene rubber facility and therefore was constructed at a lower cost per annual ton than would be possible in building a new plant. It employs a Ziegler type catalyst system developed by Goodrich-Gulf.

Interest in the company's patents and know-how in the fields of stereo-specific rubbers and Ziegler chemistry continues strong. Six licenses have been granted and negotiations are under way with several additional companies in the United States and abroad.

Goodrich-Gulf's high density polyethylene plant at Port Neches, Texas, which started operations in 1961, showed marked improvement in output and in product quality during 1962.

### *Rubber Consumption*

New rubber consumption in the United States in 1962 reached an all-time high of 1,703,000 long tons. It was 11 per cent higher than the previous year and 4 per cent above the previous record set in 1959. Synthetic rubber accounted for 73 per cent of total usage in 1962, up from 72 per cent in 1961. This was the eighth consecutive year of increase in the ratio of synthetic rubber to total new rubber consumption since private ownership of synthetic rubber plants began in 1955. Further penetration is anticipated as larger supplies and improved technical knowledge of stereo rubbers become available.

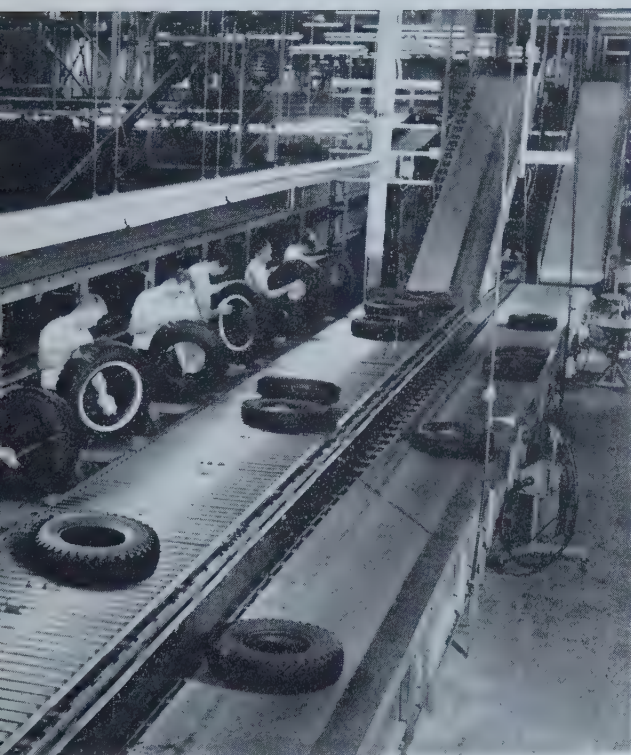
World rubber consumption in 1962 (excluding synthetic rubber produced and consumed in Communist countries) totaled almost 4,300,000 long tons, a new high for the eighth consecutive year. Synthetic rubber continued to account for a greater proportion of total rubber consumption in the free nations outside the United States. During 1962, the synthetic product accounted for almost 42 per cent of the total new rubber consumed in these areas compared with about 40 per cent during 1961.

Further increases in free world new rubber consumption are anticipated in 1963. Rising consumption in the free nations outside the United States will more than offset a small decline which appears likely for this country.





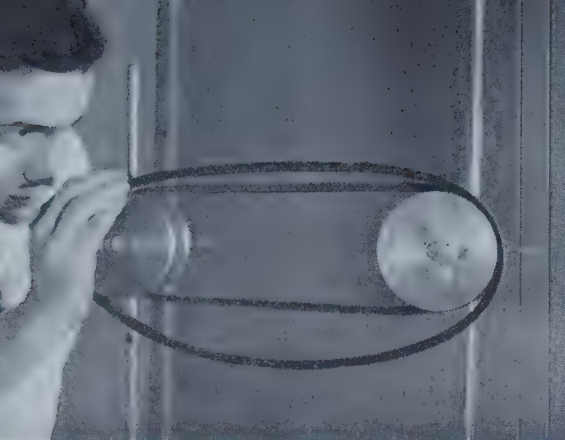
Light and easy to form, resistant to impact and abrasion, with good resistance to heat distortion and chemicals, B.F. Goodrich Abson ABS materials are ideal for appliance housings and a wide range of molded products where economy of manufacture and high quality are important.



Geared to meet the challenge of competition, the new B.F. Goodrich tire plant at Fort Wayne, Indiana, is the world's most modern in operational efficiency and quality control. Shown here is the final visual inspection of tires. This plant is located within overnight shipping distance of more than half of the nation's automobile manufacturing capacity.



The world's largest farm tractor tire is made by B.F. Goodrich for service in the rice, sugar cane and cotton fields. To look at its top, a 6 ft. 5 in. man must stand on tiptoes. BFG has the right tire for every farm job.



The conventional V-belt in the foreground sags from overwork while the new glass cord belt developed by B.F. Goodrich remains taut. Both belts were exactly the same length before starting "torture" tests. The "Glasstex" belt is made possible by new processing techniques that take advantage of the strength and length stability of glass cord, another B.F. Goodrich "first".



Typifying the ever-growing diversity of B.F. Goodrich products is this spun-glass motor casing for the Navy's Polaris missile. The Company provides complete engineering and production facilities for glass fiber filament-wound structures required in the aircraft, missile and space-flight fields.

### *Employment Costs*

B. F. Goodrich employment at year end totaled 40,551. Employment costs, including wages, salaries, paid vacations and holidays, employee benefit programs, and other payments to or for employees in 1962 are estimated to be \$280,293,000. This compared with actual costs of \$255,460,000 in 1961.

Total estimated 1962 costs of the Company's employee benefit program, including pensions, life insurance, accidental death and dismemberment insurance, health benefits, separation payments, and supplemental unemployment benefits amounted to the sum of \$21,067,000, of which employees paid \$3,433,000.

All pensions earned for service in the year 1962 were funded currently through payments by the Company, and where applicable, by contributions of employees to contributory plans. In addition, the Company fully funded the pensions for past service of all employees retiring during 1962, and continued partial funding of past service pensions of employees who will retire in the future.

On December 31, 1962, funds accumulated through payments by the Company and by employees for retirement pensions amounted to a total of \$138,203,000.

### *Organization Changes*

Sidney J. Weinberg and Rudolph S. Rauch, having reached the retirement age for Directors, retired from the Board of Directors on April 17, 1962. Mr. Weinberg and Mr. Rauch had ably and loyally served the Company as Directors for thirty-two years and thirty years, respectively.

David L. Luke III, President of West Virginia Pulp and Paper Company, was elected a Director of the Company on January 16, 1962.

Boone Gross, President of The Gillette Company, was elected a Director of the Company on February 20, 1962.

John L. Weinberg, a partner of Goldman, Sachs & Co., was elected a Director of the Company on May 15, 1962.

P. W. Perdriau was appointed President of B. F. Goodrich Tire Company, a Division, on August 1, 1962. Prior to that time he had served successively as head of two other Divisions of the Company.

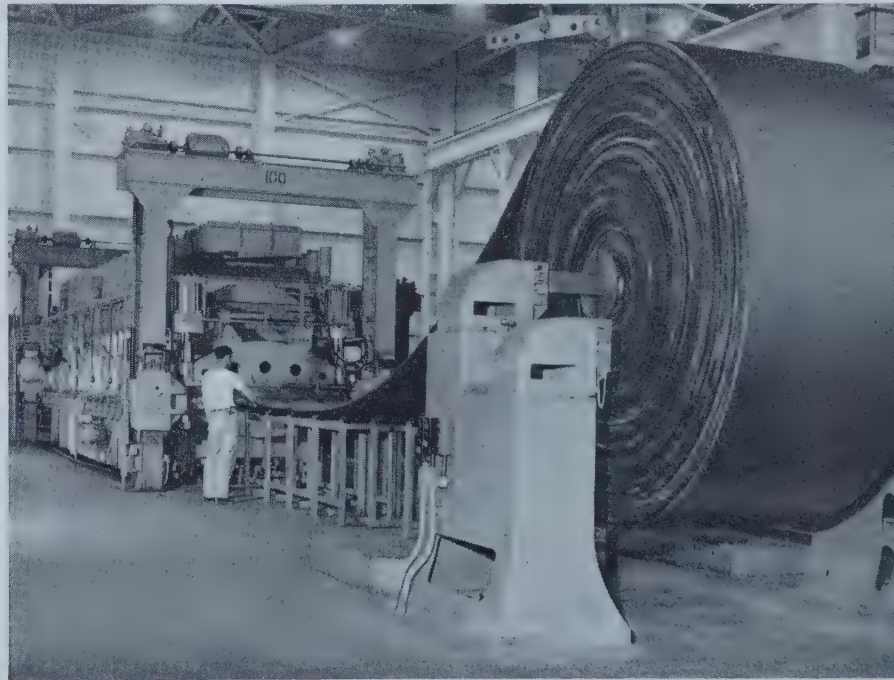
J. C. Richards was appointed President of B. F. Goodrich Industrial Products Company, a Division, on August 1, 1962. Previously he had served as Vice President-Marketing of that and another Division.



This dock-loading facility was the proving-ground for a new petrochemical-handling hose developed by B.F. Goodrich. The hose has been field-tested for over two years and features a special B.F. Goodrich rubber compound that virtually immunizes hose tubes from the damaging attack of aromatic hydrocarbons and other chemicals and solvents.



The BFG belt coming out of this 332 ton vulcanizing press has a big job ahead. It will haul 6,600 tons of iron ore per hour. This is typical of many high tension belts B.F. Goodrich furnishes for mines, quarries and other industries where heavy tonnages are carried.



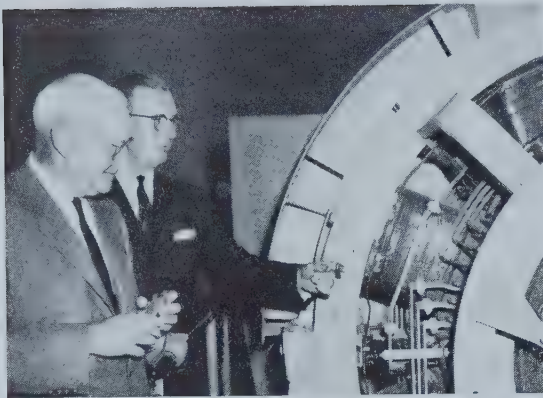
This fabric-reinforced container, coated with special purpose rubbers, provides a convenient method for bulk handling and storage of liquids and slurries. Produced by B.F. Goodrich in eleven standard sizes, from 100-gallon to 10,000-gallon capacity, it also is available in custom sizes. The unit shown holds 2,000 gallons of transformer oil. When empty it can be folded into a light, convenient size for easy transportation.





## Directors of The B.F. Goodrich Company

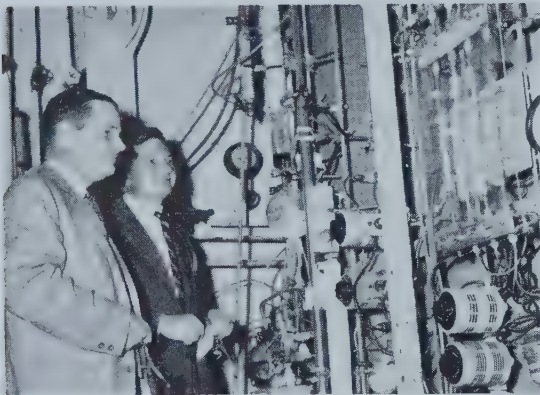
Shown here are the Directors during recent inspection tours of Company installations.



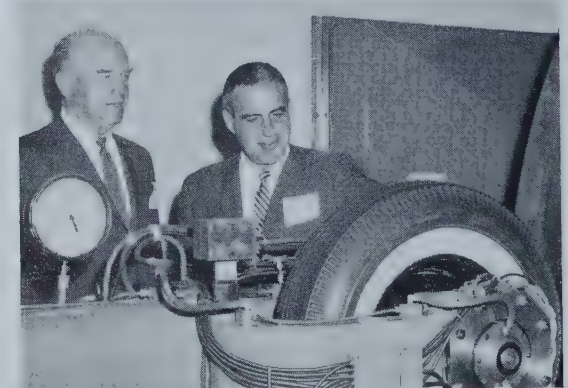
(l. to r.) Elmer L. Lindseth and J. W. Keener



(l. to r.) Arthur Kelly and Paul C. Cabot



(l. to r.) David L. Luke III and David Rockefeller



(l. to r.) Barry T. Leithead and John L. Weinberg



(l. to r.) John L. Collyer, Deane W. Malott, Harry J. Dietrick (B.F. Goodrich Research Section Leader) and Herman C. Nolen



(l. to r.) Boone Gross and Amory Houghton, Jr.



## Divisions, Products and Plants IN THE UNITED STATES AND CANADA

### B.F. Goodrich Tire Company

Akron, Ohio

Tires and Tubes for Passenger Cars, Trucks, Buses, Farm Tractors, Implements, Earth-Moving Equipment, Industrial Tractors, Trailers and Mobile Homes. Automotive Accessories. Repair and Retreading Materials. Batteries. Auto and Home Supplies.

*Plants:* Akron, Ohio    Los Angeles, Calif.    Miami, Okla.  
Oaks, Penna.    Tuscaloosa, Ala.    Ft. Wayne, Ind.

*Rayco Mfg. Co.*

Paramus, New Jersey

Seat Covers. Mufflers. Shock Absorbers. Batteries. Tires.

*Plant:* Pawtucket, R. I.

*Vanderbilt Automotive Centers, Inc.*

New York City, New York

Department store distribution of Vanderbilt tires, batteries and automotive accessories.

### B.F. Goodrich Chemical Company

3135 Euclid Avenue, Cleveland 15, Ohio

"Geon" Vinyl Resins, Compounds and Latexes. "Hycar" Nitrile and Acrylic Elastomers and Latexes. "Abson" ABS Materials. "Estane" Polyurethane. "AgeRite" Antioxidants. "Good-rite" Chemicals and Plasticizers. "Carbopol" Water-soluble Resins. Acrylic Acid. Acrylonitrile.

*Plants:* Akron, Ohio    Avon Lake, Ohio  
Calvert City, Kentucky    Henry, Illinois  
Long Beach, California    Louisville, Kentucky  
Niagara Falls, New York

*Development Center:* Avon Lake, Ohio

### B.F. Goodrich Industrial Products Company

Akron, Ohio

Industrial Hose, Power Transmission and Conveyor Belting. V-Belts. Molded and Extruded Products. Packing. Matting. Tank Linings. Roll Coverings. Sheeting. "Cutless" Bearings. Torsilastic Springs. Rubber Thread. Industrial Clothing and Gloves.

*Plants:* Akron, Ohio    DuBois, Penna.    Marion, Ohio  
Riverside, N. J.    Tuscaloosa, Ala.    Watertown, Mass.

#### ADHESIVE PRODUCTS

Adhesives. Rubber and Plastic Latexes. Plastics. Reclaimed Rubber.

*Plants:* Akron, Ohio    Los Angeles, Calif.

#### PLASTIC PRODUCTS

Magnetic Gaskets and other extrusions. Rigid and soft "Koro-seal" Industrial Products.

*Plants:* Marietta, Ohio    New Ulm, Minn.    Salem, Ind.

#### SHOE PRODUCTS

Heels, Soles and other products used in the manufacture and repair of shoes.

*Plant:* Clarksville, Tenn.

#### SPONGE PRODUCTS

Rubber foam and Polyurethane foam. Chemically blown rubbers and plastics. Package Cushioning. Automotive and Industrial Cellular materials. Seine Floats and Marine Products. Microwave Absorbents.

*Plants:* Shelton, Conn.    Derby, Conn.

### B.F. Goodrich Consumer Products

300 Park Avenue, New York 22, New York

Sales office for: "Koro-seal" Vinyl Upholstery, Wall Covering and Film for Baby Pants, Rainwear, Shower Curtains, Luggage, etc. Floor Tile—"Koro-seal" Vinyl Asbestos, Vinyl "Slate", "Ever-Nu" Vinyl, "Agatine", "Airpath", Rubber, Asphalt; Flooring Accessories, Cove Base and Stair Treads. Sponge rubber Carpet Cushion. Furniture Cushioning, Mattresses and Pillows of rubber latex foam, Rubber and Plastic Garden Hose. Surgical and Hospital Products. Drug Sundries. Rubber Bands. Skin Diver Back Pack and Gloves.

*Plants:* Akron, Ohio    Marietta, Ohio    Shelton, Conn.  
Watertown, Mass.    Riverside, N.J.

### B.F. Goodrich Footwear Company

Watertown 72, Massachusetts

B. F. Goodrich Footwear—"P-F" Canvas Shoes and Athletic Shoes, "Sun-steps" Casual Shoes, "Simonetta Collection" of Casuals and Boots, Stormy Weather footwear (Rubbers, Boots, Arctics; Rubber, Fabric, "Koro-seal" Overshoes), Insulated Footwear.

*Plants:* Watertown, Mass.

### B.F. Goodrich Aerospace and Defense Products

Akron, Ohio

Solid propellants, Rocket motors. Rocket motor cases, including insulators and liners. Ablative structures. Pressure containers. Space Suits. Tires. Tubes, Wheels and brakes for aircraft and ground vehicles. Electrical and pneumatic de-icing systems. Erosion shoes. Fuel containers. Dunnage bags. Hose. Pressure sealing zippers. Seals. "Rivnut" Fasteners. Pressure switches. Metal bellows. "Avtrim" vinyl material. Inflatable products. Sonar. Materials handling equipment.

*Plants:* Akron, Ohio    Rialto, Calif.    Los Angeles, Calif.  
Troy, Ohio

### B.F. Goodrich Textile Products

Thomaston, Ga.

Tire cord and Industrial Fabrics, Single and Plied Carded and Combed Yarns.

*Plants:* Thomaston, Ga.    Exeter Borough, Pittston, Penna.

### International B.F. Goodrich Company

Akron, Ohio

Products of other divisions, and foreign subsidiary and associate companies.

### B.F. Goodrich Canada Limited

409 Weber Street, West

Kitchener, Ontario, Canada

Tires and Tubes for Passenger Cars, Trucks, Buses, Farm Tractors, Implements, Earth-Moving Equipment, Industrial Tractors. Trailers and Airplanes. Hose, Belting, Molded and Extruded Products. Linings, Coverings and Aircraft Products. Garden Hose. Automotive Supplies and Accessories. "Geon" Vinyl Resins. "Koro-seal" Plastics. Adhesives.

*Plants:* Kitchener, Ont., Can.    Welland, Ont., Can.

B. F. GOODRICH SPONGE PRODUCTS CANADA LIMITED

Waterville, Quebec, Canada

Furniture Cushions, Pillows and Mattresses of foam rubber and urethane foam. "Spongex" Carpet Cushion, Molded and Die Cut Sponge Rubber and Industrial Cellular Rubber.

*Plant:* Waterville, Quebec, Can.



## Other Subsidiary and Associate Companies of The B.F. Goodrich Company

BRITISH GEON LIMITED  
London, England

BTR INDUSTRIES LTD.  
London, England

COMPANIA HULERA EUZKADI, S. A.  
Mexico, D. F.

GEON DE MEXICO, S. A.  
Mexico, D. F.

S/A GEON DO BRASIL-INDUSTRIA E COMERCIO  
Sao Paulo, Brazil

GOODRICH COMPANY, LIMITED  
Singapore, Malaya

GOODRICH-GULF CHEMICALS, INC.  
Cleveland, Ohio

GOODRICH SVENSKA GUMMI AKTIEBOLAG  
Stockholm, Sweden

B.F.GOODRICH AUSTRALIA PTY. LIMITED  
Melbourne, Victoria, Australia

B.F.GOODRICH COMPANY LIMITED  
London, England

B.F.GOODRICH-C.S.R. CHEMICALS PTY. LIMITED  
Melbourne, Victoria, Australia

B.F.GOODRICH DO BRASIL S.A.-PRODUTOS DE BORRACHA  
Sao Paulo, Brazil

B.F.GOODRICH IRAN S.A.  
Tehran, Iran

B.F.GOODRICH LIBERIA, INC.  
Monrovia, Liberia

B.F.GOODRICH PHILIPPINES, INC.  
Manila, P. I.

B.F.GOODRICH REALTY CORPORATION  
Akron, Ohio

THE B.F.GOODRICH COMPANY OF JAPAN, LTD.  
Tokyo, Japan

THE B.F.GOODRICH CREDIT CORPORATION  
Akron, Ohio

INDUSTRIA COLOMBIANA DE LLANTAS, S. A.  
Bogota, Colombia

INTERNATIONAL B.F.GOODRICH CORPORATION  
Akron, Ohio  
(Branches in San Juan, Puerto Rico and San Jose, Costa Rica.)

INTERNATIONAL B.F.GOODRICH LIMITED  
Nassau, Bahamas

THE JAPANESE GEON CO., LTD.  
Tokyo, Japan

LIMA RUBBER COMPANY, S.A.  
Lima, Peru

N. V. CHEMISCHE INDUSTRIE AKU-GOODRICH  
Arnhem, The Netherlands

N. V. NEDERLANDSCH-AMERIKAANSCH  
AUTOBANDENFABRIEK VREDESTEIN  
Enschede, The Netherlands

N. V. NEDERLANDSE B.F.GOODRICH COMPAGNIE  
The Hague, The Netherlands

KLEBER-COLOMBES, Pneumatiques, Caoutchouc  
Manufacture et Plastiques  
Paris, France

REID NEW ZEALAND RUBBER MILLS LIMITED  
Auckland, New Zealand

TRELLEBORGS GUMMIFABRIKS AKTIEBOLAG  
Trelleborg, Sweden

VEITH GUMMIWERKE AKTIENGESellschaft  
Höchst im Odenwald, Federal Republic of Germany

THE YOKOHAMA RUBBER COMPANY, LIMITED  
Tokyo, Japan



In Puerto Rico



In Sweden



In Australia



In Colombia



In Brazil

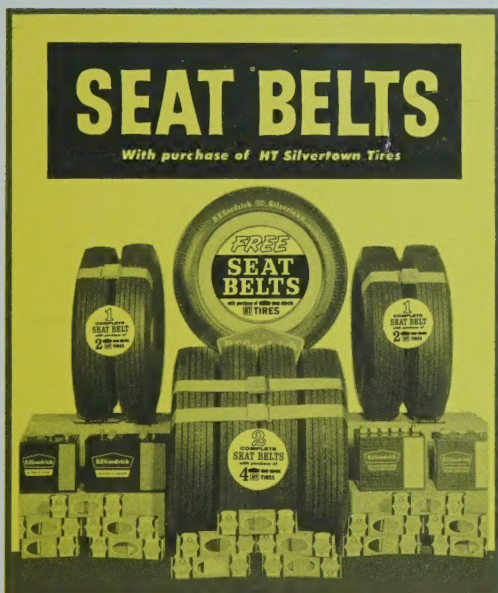


## Good Merchandising Is a Competitive Necessity

In today's economy, it no longer suffices merely to build a better product. Aggressive merchandising at the consumer level is a requisite for meeting the constant competitive challenge.



This dramatic display called the attention of the thousands of persons attending the 1962 Annual Meeting of the American Medical Association to the numerous and outstanding B.F. Goodrich products available both for their professional and personal use.



This B.F. Goodrich promotion, made available to local service stations and dealers, took timely advantage of the current widespread interest in automobile seat belts to encourage sales of replacement tires, batteries, other accessories and even additional sets of the belts themselves.



A variety of striking colors, special design features, smart new packaging, and vigorous promotions involving free comic books provide a wider and more effective appeal to the large juvenile market for B.F. Goodrich P-F footwear, thus encouraging dealers to stock these items.



This attractive B.F. Goodrich "Family Care Kit" permits drug stores and other dealers to display ordinarily prosaic products in a much more effective manner. Additionally, by grouping items normally purchased separately as the need for each arises, it promotes greater sales volume for both B.F. Goodrich and the drug trade.

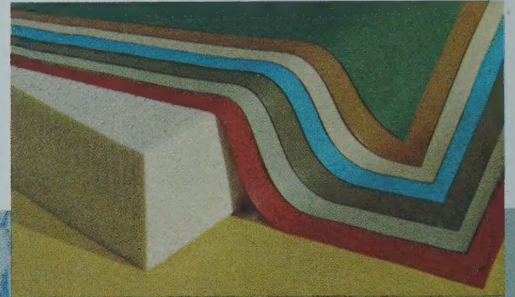


## Advertising Puts Our Best Foot Forward

The three sets of photographs shown here offer a dramatic indication of the manner in which well-planned and professionally-executed advertising advances the sale of B.F. Goodrich products.



In its original appearance, B.F. Goodrich sponge rubber carpet cushioning can leave some doubt as to its purpose (insert at top right). As pictured in national advertising media (immediately above), it silently proclaims the safety, cleanliness and luxury it offers.



It takes quite a bit of imagination to realize the advantages offered by B.F. Goodrich Koroseal vinyl upholstery and Tex-foam latex foam cushioning, when viewed in their manufactured state (insert). But the appealing larger picture above, an illustration from BFG's current consumer advertising, leaves no doubt about the beauty and utility these products provide.



In the carton or removed, there is just so much eye appeal to a piece of floor tile, even B.F. Goodrich slate-patterned vinyl asbestos shown in the smaller picture here. In marked contrast, the recent ad illustration at left presents all of the magnificent beauty afforded by this product in actual use.